

**PRELIMINARY REPORT**  
**EVALUATION OF REUSE AND DISPOSAL OPTIONS FOR**  
**PMA No. 4169 Seattle Police Department East Precinct Auxiliary Parking**

Resolution 29799, as further amended by Resolution 30862, directs the Executive to make a recommendation to the City Council on the reuse or disposal of excess Property on a case by case basis, using the “City’s Procedures for Evaluation of the Reuse and Disposal of the City’s Real Property.” Additionally, the Resolution identifies guidelines, which are to be considered in making a recommendation. This report addresses each of the guidelines outlined in Resolution 29799 and as amended by Resolution 30862.

Property Management Area: PMA No. 4169 – Seattle Police Department East Precinct Auxiliary Parking

**BACKGROUND INFORMATION**

The Property, located at 1620 12th Avenue East, provides 77 auxiliary parking stalls to the Seattle Police Department’s East Precinct, as well as related support functions. An additional 49 parking stalls are leased from Diamond Parking at a nearby gravel parking lot. The City has completed preliminary negotiations with Capitol Hill Housing, a nonprofit Public Development Authority, to redevelop the site, and continuing to accommodate parking by SPD by constructing in an underground garage, along with building a new, mixed-use development comprised of commercial, retail, arts, and residential uses above ground.

Legal Description:

Portion of Lots 2, 3, 4 and 5 Block 22, Addition to the City of Seattle, as laid off by D.T. Denny, Guardian of the Estate of J.H. Nagle (commonly known as Nagle’s Addition to the City of Seattle), according to the Plat thereof recorded in Volume 1 of Plats, page 153, King County, Washington. As together the Property shall be referred to as the “Property.”

Physical Description and Related Factors:

The Property is situated in the middle of the block on 12th Avenue East between East Pike Street and East Olive Street; it has a site address of 1620 12<sup>th</sup> Avenue. The Property consists of four rectangular shaped tax parcels (600300-0645, 600300-0660, 600300-0665, and 600300-0670) that cover approximately 0.67 acres or 29,058 square feet of land. The site has a minor grade difference of approximately 5 feet; the southwest corner of the Property is the low point, while the northeast corner is the high spot. A retaining wall located along the easterly portion of the Property supports the adjoining land to the east.

Police vehicles both fleet and personal officer vehicles, currently enter the Property through secure chain link gates located near the northern and southern boundaries. Pedestrians enter and exit the Property through a secure gate located towards the south.

The site contains 77 parking stalls, including one handicap-designated stall. The stalls range in size from 7’6” by 15’ to 8’6” by 15’. The site also contains a car wash, vacuum area, and a fueling island with two 10,000 gallon underground storage tanks (UST), as well as an emergency backup generator (with a 350 gallon aboveground storage tank) to power the fueling island, lights, and ingress/egress gates.

### **Project Description**

The City was approached by Capitol Hill Housing (CHH) in early 2011, requesting the Property for a mixed-use housing development. The City and CHH worked together to identify whether a joint development project would be feasible, part of which would include parking for the East Precinct. A Letter of Intent was signed in May 2011 that outlined the basic terms of a property transfer, and the parties have subsequently worked together to bring the project to completion.

It should also be noted that in early 1998, the Capitol Hill and Pike-Pine Neighborhood Plans identified the Property as key for redevelopment. In spring of 1998, former Mayor Paul Schell announced at the Community Conference on Affordable Housing that CHH would redevelop the Property. This led to a feasibility study completed by Capitol Hill Housing for the City dated June 1999. In the fall of 1999, the City informed Capitol Hill Housing that development was infeasible due to SPD's fueling station requirement.

Then again in 2007 through 2009, Capitol Hill Housing and the City took another look at redeveloping the Property, but, again both parties were unable to define a project in way that met both budget constraints and SPD's design requirements.

The Excess Property Disposition Process is a key component to the disposition procedures established by the City Council. To initiate this process, the East Precinct Auxiliary Parking site was classified as excess property in 2011. However, this classification was predicated on the understanding that a replacement facility will be built for the Seattle Police Department's exclusive use. In return for the Property, Capitol Hill Housing agreed to construct a parking garage on the Property that will be for the exclusive use of the Seattle Police Department.

After the Property has been constructed the City will have the option to regain control of the parking garage unit either through a master lease with an option of transfer of ownership at the City's desire or through fee ownership. (Due to the nature of the New Market Tax Credit requirements, the final City ownership has not been established. It is anticipated that an ownership structure will be established by the middle of 2012.)

This report addresses the development as three condominium units;

- An underground parking garage unit, containing 111 parking stalls for the exclusive use of the Seattle Police Department and other uses as the City deems appropriate;
- A commercial/retail/art unit – owned by Capitol Hill Housing; and
- A multi-family housing unit – owned by Capitol Hill Housing.

Working through its Office of Housing and Office of Economic Development, the City is contributing funds for the development of the entire project, giving the City more control over the composition of the building and the desired outcome. The Office of Housing is contributing \$7.7 million of housing levy money for the project; and the Office of Economic Development is contributing a \$2.0 million CDBG loan for the construction of the commercial portion of the development.

**GUIDELINE A: CONSISTENCY**

*The analysis should consider the purpose for which the Property was originally acquired, funding sources used to acquire the Property, terms and conditions of original acquisition, the title or deed conveying the Property, or any other contract or instrument by which the City is bound or to which the Property is subject, and City, state or federal ordinances, statutes and regulations.*

It appears by looking at historic photos that the Property was initially developed with six single-family residences in the late 1800s and early 1900s. The southern portion of the Property was developed as a parking lot for a car dealership in 1950. The northern portion was developed as a parking lot in the 1960s. The City of Seattle purchased the Property in the mid-1980s and installed two gasoline underground storage tanks and a fuel-dispensing pump island on the northern portion of the Property in 1988. The Property has been used by the Seattle Police Department's East Precinct for vehicle fueling and parking since that time.

The Property, as it is now configured, was purchased through two separate deeds. The first portion of the Property was purchased in 1985 (King County Recording Number 8509030379) while the second lot was acquired in 1988 (King County Recording Number 8801110603.) Ordinances 112036 and 112404 allowed for the City to lease and or purchase property for the East Precinct in the vicinity of 12<sup>th</sup> Avenue East and East Pine Street. Ordinance number 106630 authorized the City of Seattle to issue tax levy bonds for the purpose of constructing and or remodeling three Police Precinct Station facilities, including any additional property or property rights required by the Seattle Police Department.

**GUIDELINE B: COMPATIBILITY AND SUITABILITY**

*The recommendation should reflect an assessment of the potential for use of the Property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities, and in support of other priorities reflected in adopted City policies.*

**Context:**

The Property lies within the Capitol Hill Urban Overlay District. With the coming of a light rail station and the Broadway streetcar, the Capitol Hill neighborhood is set to become one of Seattle's best opportunities for realizing an ideal transit-oriented community (TOC). TOCs are neighborhoods that give people greater access to housing, jobs, services, and recreation without relying on a personal vehicle. Well designed TOCs can deliver substantial economic, social, and environmental benefits to local residents as well as to the greater region.

Development in the immediate vicinity of the Project is a mix of residential and commercial uses as summarized below.

- **North:** Mix of multi-family and single family residences.
- **East:** Single-family residences are located on most of the adjoining properties to the east. A commercial building, housing an insurance agency is located to the southeast.

- **South:** Single-family residence and multi-family containing ground floor retail.
- **West:** A liquor store and restaurant are located across 12<sup>th</sup> Avenue East.

The Capitol Hill Neighborhood Plan provides the context into which new development and redevelopment of property will be accomplished; the Property is located within this Plan. The Plan gives priority to projects that that increases density and plays off of alternative modes of transportation. The Property is conveniently located next to several bus routes, pedestrian corridors and the future light rail and street car transportation modes.

More specifically, the Property is located on one of the identified commercial corridors within Capitol Hill, 12<sup>th</sup> Avenue Commercial District. The development will keep with the context of the surrounding community by keeping small scale; pedestrian-oriented streets predominated by retail store fronts and restaurants. The Property is located at the core of the 12<sup>th</sup> Avenue East commercial area, further enhancing the pedestrian feel to the neighborhood and thereby meeting the requirements of the Capitol Hill Neighborhood Design Guidelines.

The City's Office of Housing has awarded the project \$7.7 million for the development of 88 units of housing; including a mix of studios, one, and two bedroom units. The City's Office of Economic Development plans to loan up to \$2.0 million for the commercial portion of the development, which will include four separate retail storefronts and one large office space located on the second floor.

The following City-owned properties are in the general area:

Location	Property Size	Address	Description	Relative Location to East Precinct Parking
SPD East Precinct	21,780sf (lot) 42,380sf (building)	1519 12 <sup>th</sup> Avenue	City of Seattle Police Department East Precinct	<1/8 mile south west
Fire Station 25	15,360sf (lot) 20,824sf (building)	1300 E. Pine Street	City of Seattle Fire Department's Station 25	< 1/8 mile east
Cal Anderson Park & SPU Lincoln Reservoir	484,727sf (total)	1000 East Pine Street	City of Seattle's Park, with ball field, water feature and underground water reservoir	<1/8 mile west

Given the proximity of Cal Anderson Park, use of this site for development of park and open space is not a priority.

Range of Options:

*Excess Property is defined as "real Property that the Jurisdictional Department has formally determined it no longer needs for the Department's current or future use."*

- Retention by the City: Notice of availability of excess property was circulated to other City Departments and Governmental agencies for potential reuse in October 2011. No City Departments or other Governmental agencies expressed an interest in acquiring the

Property. The Seattle Police Department will continue to have a need for parking near the East Precinct Facility, and the City could retain this property as a surface parking lot with long-term redevelopment potential. This option, however, does not take advantage of the current opportunity to utilize the property more efficiently through joint development.

- Negotiated Sale: The City could sell the Property to CHH for development of a comprehensive mixed-use housing project, while maintaining the requirement for adequate Seattle Police Department parking for the East Precinct and increasing the number of low-income housing in the Capitol Hill Neighborhood. (The Letter of Intent is attached to this report.)
- Sale by Competitive Process: The City could sell the Property through a competitive process, which would present further risks and fewer options for the City. As stated previously, the City will continue to have a need for the parking that is provided at this site until such a time that the East Precinct Facility is no longer needed by the City. As such, the value to a developer for the property is heavily diminished, and may not yield the necessary parking that the City requires. Therefore, the range of potential uses and buyers may be narrowed.

#### **GUIDELINE C: OTHER FACTORS**

*The recommendation should consider the highest and best use of the Property, compatibility of the proposed use with the physical characteristics of the Property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the Property hard to replace, potential for consolidation with adjacent public Property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that may affect the value of the Property.*

##### Highest and Best Use:

*The concept of Highest and Best Use of a Property is a key principle employed in real estate appraisal. The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest Property value. In order to be considered as the Highest and Best Use of a Property, any potential use must pass a series of tests. The use must be:*

- |                               |                               |
|-------------------------------|-------------------------------|
| ▪ <i>Legally permissible</i>  | ▪ <i>Physically possible</i>  |
| ▪ <i>Financially feasible</i> | ▪ <i>Maximally productive</i> |

*The Highest and Best Use may or may not be a Property's present use. The test of Highest and Best Use for an improved property is typically based on the property as though vacant, assuming the property is vacant or could be made vacant, and as improved. Improvements are valued according to how they contribute (or detract from) the value of the land.*

- Legally permissible. The property is zoned NC3P-65, Neighborhood Commercial with a pedestrian overlay. Density cannot be maximized with a single-use project, and mixed-use projects incorporating residential units over street level commercial space is

encouraged. There are no legal restrictions to the Property such as easements, or deed restrictions that would effectively limit the use of the Property.

Mixed-use structures may exceed the height limit by four feet, provided the additional footage does not allow for an additional floor. There is also an open space requirement of 30% of the gross residential area, which will be satisfied by rooftop decks, garden areas and open spaces.

- *Physically possible.* At 29,058 square feet, the Property is significantly larger than any of its surrounding parcels.
- *Financially feasible.* The Capitol Hill neighborhood is in high demand for apartment development. Generally, one would expect developers to build market-rate housing (instead of the low-income housing as Capitol Hill Housing has proposed) and to maximize the amount of housing and lessen the amount of office and retail space. Capitol Hill Housing is using a package of grants, new market tax credits, low income housing loans and market rate loans for the development providing a rate of return that is commensurate with the other similar types of low-income housing developments.
- *Maximally productive.* The maximum density on the 65-foot zoning height limit; a ground floor ceiling of 15 feet; and 5 floors of residential with floor to ceiling heights of 10 feet, the estimated number of units is calculated on an 85% efficiency ratio, or 24,684 square feet gross land area. Based on the density of dwelling units within other nearby buildings, it is estimated that 133 – 150 units of housing (depending on the mix of studios, one, two and three bedrooms) could be marketable.

In summary, the highest and best use for the East Precinct Auxiliary Parking is for use as a mixed-use housing development; with ground floor retail and a maximum number of housing units located within the project.

*Compatibility with the physical characteristics:*

The Property as it is now utilized is substantially vacant, except for a fueling station and generator. The most probable purchaser of the Property would be an apartment developer. The property is considered to be adequate to accommodate most permitted development possibilities.

*Compatibility with surrounding uses:*

Immediately surrounding the Property, the principal land uses are multi-family; support retail; and/or mixed use developments.

Most recently, the trend for commercial real estate development has been multi-family/mixed use. Notable similar projects on Capitol Hill include: The Pearl Apartments; Agnes Lofts; Joule Apartments; and Broadway Crossings (a Capitol Hill Housing development).

Timing and Term of Proposed Use:

FAS anticipates disposition of the Property no later than November 1, 2012. Capitol Hill Housing expects to break ground on the development by the end of 2012; with completion of the entire project within the first quarter of 2014.

Appropriateness of the consideration:

FAS commissioned a real estate appraisal in January 2012. The appraisal had a value conclusion of \$7,550,000 in its present condition, assuming that it is clean of any environmental hazards. FAS proposes transferring the property to Capitol Hill Housing. In exchange for the land, Capitol Hill Housing will design, develop, and construct a parking garage to house 111 vehicles for the exclusive use by the Seattle Police Department's East Precinct. As of the date of this report, the parking garage will have an estimated construction value of \$11.5 million.

Unique Attributes:

The Property is unique in that it is an assembled 29,058 square feet of space located in the middle of one of the densest areas of the Pacific Northwest.

Potential for Consolidation with adjacent public Property:

There are no public properties immediately adjoining the Property.

Conditions in the real estate market:

The apartment market is relatively strong in downtown Seattle, with vacancy rates at 4.3%; in the Capitol Hill/Eastlake market the vacancy rate is even better at 2.3%, well below the region average. It is estimated that there are over 3,000 units of apartments under construction within Seattle due for completion by end of year 2015.

Known environmental factors:

In July 2011, an Environmental Site Assessment was conducted by SoundEarth; this assessment identified the following concerns for the Property:

- Current use and storage of gasoline at the Property: Two 10,000-gallon gasoline Underground Storage Tanks (USTs) and a fuel-dispensing pump island have operated on the Property since 1988. The tanks are single-walled fiberglass and are served by a pressurized piping system. Annual testing for leaks has not indicated any releases; however, these methods do not reliably detect slow leaks from the tanks, underground piping, or the dispenser and turbine. Therefore, the current use and storage of gasoline at the Property constitutes a Recognized Environmental Condition (REC). To assess the potential for contamination related to the gasoline underground storage tank system, SoundEarth conducted a Phase II ESA of the fueling area. The Phase II investigation revealed a detectable concentration of benzene in groundwater collected from one of the borings; however, the concentration did not exceed the applicable cleanup level. *As such, although the presence of benzene in groundwater confirms that a release of petroleum hydrocarbons has occurred at the Property, the limited extent and low concentration of the benzene suggests that the potential risk for widespread impacts from the release is low and no additional investigation appears warranted at this time.*

- Former use and storage of heating oil at the Property. Historical records indicate that up to six single-family residences were present on the Property from the 1890s until the 1960s. At least one of the residences was heating by an oil-burning furnace, the fuel for which was likely stored in a UST. Because heating oil was a common fuel source for this area of Seattle, there is a high likelihood that the remaining residences were also historically heated by oil-burning furnaces. The use and storage of heating oil at the Property therefore constitutes a REC. As such, it is not apparent whether the borings advanced in the course of the Phase II investigation were situated in the vicinity of the former tanks. As no evidence of a release from the former tanks was encountered in the course of the investigation, the potential risk for widespread impacts from the former use and storage of heating oil at the Property is low. *Therefore, no additional investigation of this recognized environmental condition is warranted.*
- Above-ground storage of diesel fuel in the emergency generator shed. The emergency generator system is equipped with a 350-gallon diesel fuel above ground storage tank. However, the tank is double-walled and is surrounded by concrete curbing to contain potential spills or leaks. *Due to the containment features present, the environmental risk appears to be de minimis and the AST does not constitute a REC.*

#### **GUIDELINE D: SALE**

*The recommendation should evaluate the potential for selling the Property to non-City public entities and to members of the general public.*

#### **Potential for Use by Non-City Public Entities:**

FAS proposes transferring the property to Capitol Hill Housing and, in exchange for the property, Capitol Hill Housing will design and develop a parking garage that will house 111 vehicles for the exclusive use by the Seattle Police Department's East Precinct. Capitol Hill Housing is a Public Development Authority, as established by the City of Seattle.

The maximum density based on the 65-foot zoning height limit (plus an additional four feet as a bonus for low income housing, and open spaces):

Floor Level		Police	Office	Retail	Residential	Theater	Shared	Total
	P2	9,804					3,397	<b>13,201</b>
	P1	25,880					1,693	<b>27,573</b>
	1	6,071		6,228	1,476	7,818	3,750	<b>25,343</b>
	2		17,844			207	443	<b>18,494</b>
	3				16,364			<b>16,364</b>
	4				16,440			<b>16,440</b>
	5				16,826			<b>16,826</b>
	6				15,826			<b>15,826</b>
	<b>Area by Use</b>	<b>41,755</b>	<b>17,844</b>	<b>6,228</b>	<b>66,932</b>	<b>8,025</b>	<b>9,283</b>	<b>150,067</b>



*Potential for Use by the General Public:*

Given the continued use by the Seattle Police Department along with the transfer of ownership to Capitol Hill Housing the public use of the property is not essentially changing, and may be increased with the development of the community theatre, retail, and low-income housing.

**PUBLIC INVOLVEMENT**

In October 2011, FAS sent neighborhood notices to residents and Property owners within a 1,000 foot radius of the Property, community groups within the Capitol Hill and First Hill neighborhoods, and other interested parties. Approximately 2,500 notices were mailed and approximately two dozen community members have responded back, either asking for additional information or wanting to be kept informed of the project's development. Public opinion has been generally supportive of the project.

In addition to the City's notification, Capitol Hill Housing sent a notification to all property owners, and residences within 500 feet of the site project; the few responses that were received by Capitol Hill Housing were all encouraging of the development of the site.

**RECOMMENDATION**

FAS recommends that the Property be sold through a negotiated Sale to Capitol Hill Housing. The City will create a condominium consisting of three units; a parking garage unit; a commercial/retail unit; and a housing unit. In exchange for the commercial/retail and housing condominium units, Capitol Hill Housing will construct a parking garage for the exclusive use by the City of Seattle's Police Department. As mentioned earlier, the ownership structure of the parking garage is subject to change until a New Market Tax Credit entity is selected.

**PROPERTY REVIEW PROCESS DETERMINATION**

*The Disposition Procedures provide that FAS assesses the complexity of the issues on each excess Property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council.*

The Property Review Process Determination Form prepared for the East Precinct Parking Lot is attached at the end of this report. Summation of points awarded as outlined in the Property Review Process Determination Form indicate that this disposition is classified as a *complex* disposition, due primarily to the value of the land being more than \$1,000,000.

**NEXT STEPS**

FAS will provide a summary of this report to the Real Estate Oversight Committee (REOC), to all City Departments and Public Agencies that have expressed an interest in the Property, as well as to members of the public who responded to the public notices. FAS will also post one sign visible to the public at each street frontage abutting the Property which will provide the same information.

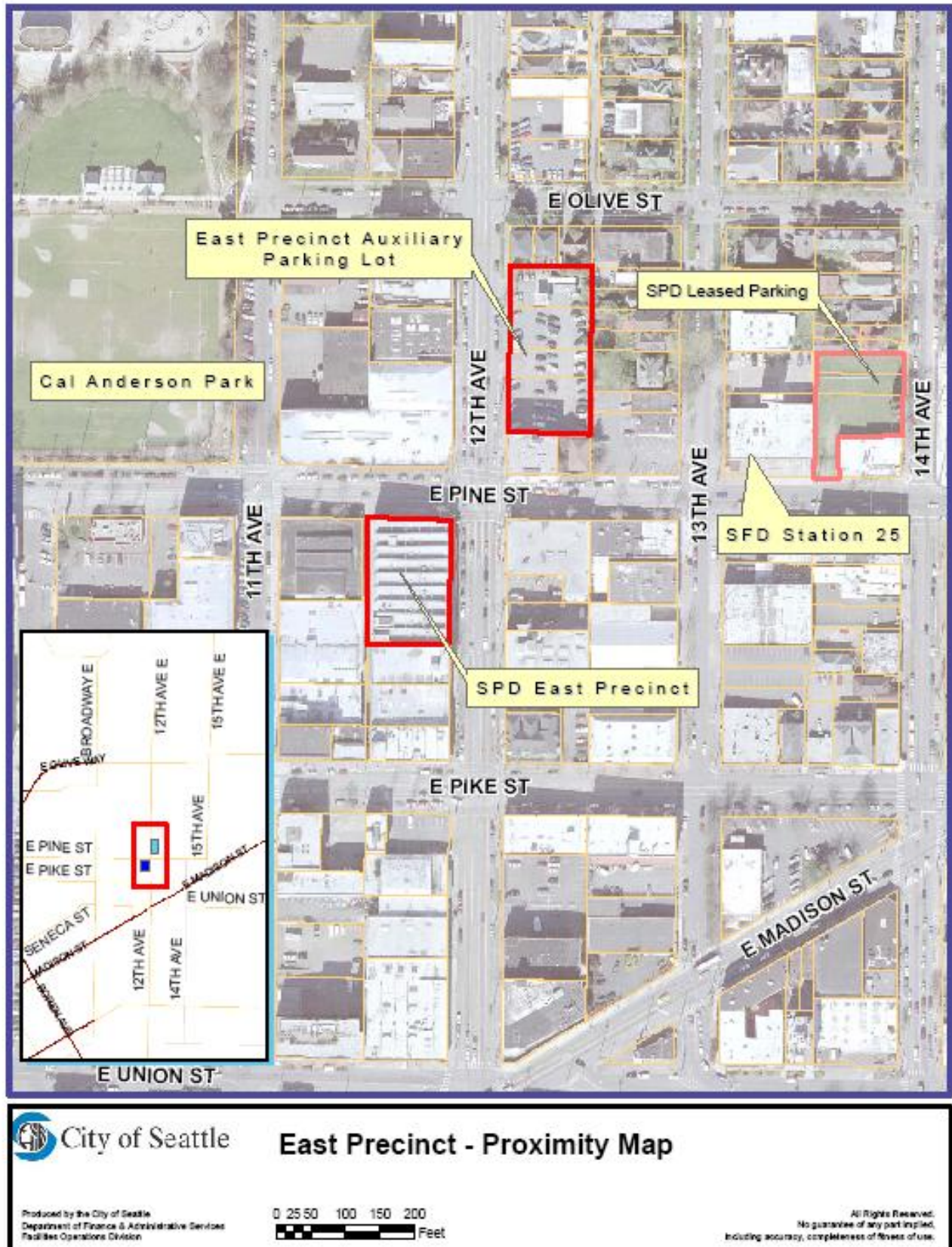
As required, FAS has prepared a Public Involvement Plan (PIP) for property classified as a complex property disposition. Under the Procedures, the PIP is tailored to the specific property and those issues which have been raised during the circulation and notification phase. A copy

of the PIP for PMA 4169 is attached at the end of this report. FAS does not believe that additional public process is necessary at this time, based on following factors:

- Coordinated participation and support from City departments;
- Extensive community outreach that has already happened by both FAS and Capitol Hill Housing;
- Community consensus supporting the project; and
- Minimal land use issues with project design and project compatibility with neighborhood plans.

The REOC will review and approve the Preliminary Report and Public Involvement Plan, providing comments as necessary. FAS will collect public comments on this Preliminary Report and the PIP for at least 30 days. FAS will brief the City Council on the proposed PIP, and then implement the PIP as required. FAS will then prepare a Final Report, including a full report on public involvement, to the City Council with any legislation necessary to implement the final recommendation for the excess property. Notices of the availability of the Final Report and the forwarding of legislation to Council will be sent at the appropriate time to everyone who has expressed interest in this property. FAS will continue to collect public comments, providing an updated summary of all comments at the time of Council review. The Council is expected to hold a public hearing prior to any vote on the legislation authorizing the sale of the property to Capitol Hill Housing. As required, FAS will provide 14 days notice of the public hearing via its mailing list.

PROPERTY REVIEW PROCESS DETERMINATION FORM			
<b>Property Name:</b>	East Precinct Auxiliary Parking		
<b>Address:</b>	1600-1620 12 <sup>th</sup> Avenue East		
<b>PMA ID:</b>	4169	<b>Tax Parcel #:</b>	600300-0645, -0660, -0665, 0670
<b>Dept./Dept ID:</b>	Finance & Administrative Services	<b>Current Use:</b>	Auxiliary Parking for the Seattle Police Department East Precinct
<b>Land Area:</b>	29,040 square feet	<b>Zoning:</b>	NC3P-65
<b>Assessed Value:</b>		<b>Estimated Market Value:</b>	\$7,550,000 (appraised market value 2/1/2012)
PROPOSED USES AND RECOMMENDED USE			
<i>Department/Governmental Agencies:</i> <b>Partial retention by the Department of Finance and Administrative Services for use by the Seattle Police Department as an exclusive-use auxiliary parking.</b>		<i>Proposed Use: Mixed Use Residential</i> <ul style="list-style-type: none"> <li><b>Parking garage for 111 vehicles (exclusively for Seattle Police Department);</b></li> <li><b>2 stories of commercial/retail/theatre</b></li> <li><b>4 stories of low-income housing (88 units)</b></li> </ul>	
<i>Other Parties wishing to acquire: <b>NONE</b></i>			
<b>FAS' Recommendation: Transfer of property to Capitol Hill Housing</b>			
<b><u>PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)</u></b>			
1.) Is more than one City dept/Public Agency wishing to acquire?		✓ NO   Yes	15
2.) Are there any pending community proposals for Reuse/ Disposal?		✓ NO   Yes	15
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?		NO   ✓Yes	15
4.) Will consideration be other than cash?		NO   ✓Yes	10
5.) Is Sale or Trade to a private party being recommended?		NO   ✓Yes	25
6.) Will the proposed use require changes in zoning/other regulations?		✓ NO   Yes	20
7.) Is the estimated Fair Market Value \$250,000-\$1,000,000?		✓ NO   Yes	10
8.) Is the estimated Fair Market Value greater than \$1,000,000?		NO   ✓Yes	45
<b>Total Number of Points Awarded for "Yes" Responses:</b>			<b>95</b>
Property Classification for purposes of Disposal review: Simple   ✓ Complex (a score of 45+ points results in a "Complex" classification)			
Signature: _____ Bill Craven		Department: <u>FAS</u>	Date: <u>March 26, 2012</u>



# PROPOSED Public Involvement Plan

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## *East Precinct Auxiliary Parking Lot* *Revised April 17, 2012*

### *Public Involvement Plan – Overview*

In accordance with the Procedures for Evaluation of the Reuse and Disposal of the City's Real Property adopted by Resolution 29799 and amended by Resolution 30862, (referred to here as the Procedures), the City must develop a Public Involvement Plan (PIP) for certain properties during the decision-making process. The PIP is developed in conjunction with a Preliminary Report, which documents the analysis prepared for review by the City Council prior to making a reuse and/or disposition decision for each excess property.

Under the Procedures, FAS begins the evaluation process by sending information about excess property to other City departments, public agencies, and the neighborhood in which the property is located. Based on input received, and analysis of the property and the use and/or dispositions, FAS classifies each excess property decision as "simple" or "complex." This classification is based on the Property Review Process Determination Form and the classification identifies decision which may need additional public process review. Complex decisions require the preparation of a PIP before the Council reviews legislation authorizing the transfer, reuse or sale of an excess property. Guidelines provide that the PIP be tailored to the characteristics of each specific excess property and those issues which have been raised during the circulation and notification phase.

### *Public Involvement to Date:*

- In late October 2011, FAS mailed approximately 2500 neighborhood notices inviting input on the reuse and disposition of the Police Precinct Auxiliary Parking lot. The notice was sent to property owners and residents within 1,000 feet of the site, as well as all other neighbors whom expressed interest in the project; additionally local neighborhood groups, committees and organizations with a presence on Capitol Hill received the notice.

As of the date of this Plan, FAS has received only a couple of dozen responses; the overwhelming majority of those responses have been positive to the recommendation of FAS and/or parties that want to be kept informed of the project. Opinions expressed from the responses have been encouraging of the project and indicate that the development of a mixed-use housing project with secure underground parking will be much more beneficial to the community than the surface parking lot that exists now.

- In addition to the City's notification, Capitol Hill Housing sent a notification to all property owners, and residences within 500 feet of the site project. The few responses that were received by Capitol Hill Housing all encouraged development of the site.
- On October 19, 2011, Capitol Hill Housing its architect, SMR, presented the proposed project to the East Design Review Board. The meeting had in attendance approximately 25 community members; no one at this public hearing raised any objections to the proposed project.



### *Summary of FAS Recommendation:*

Following FAS' analysis of property characteristics, land use regulations, and neighborhood character and based on input from other City departments, public agencies and the public, FAS recommends that the City sell the Seattle Police Department East Precinct Auxiliary Parking Lot through a negotiated sale to Capitol Hill Housing (CHH). In exchange for the property, CHH will construct a parking garage for the exclusive use of the Police Department on the property that will contain a minimum of 111 parking stalls. Furthermore, CHH will construct a mixed-use commercial/arts/low-income housing development. CHH's project is proposed to contain 4 retail/restaurant spaces, an arts/theater space all on the first floor, 17,000 square feet of office space to be located on the second floor of the project, and 88 units of low-income housing on floors 3 through 6.

The following factors contributed to FAS' recommendation to dispose of the property through a negotiated sale to CHH with the stipulation that replacement parking be provided:

- No City Department or public agency expressed interest to acquire the property;
- No non-city public entity expressed a wish to acquire the property, other than CHH; and
- This arrangement provided an opportunity to develop low-income housing while continuing to meet the City's operational needs.

Working through its Office of Housing and Office of Economic Development the City is contributing funds for the development of the entire project, giving the City more control over the composition of the building and the desired outcome. The Office of Housing is contributing \$7.7 million of housing levy money for the project, while the Office of Economic Development is contributing a \$2.0 million CDBG loan for the construction of the commercial portion of the development.

### *"Complex" Determination for the Auxiliary Parking*

Based on the analysis of the East Precinct Auxiliary Parking and review of public input concerning the proposed development by CHH as outlined in the Preliminary Report, FAS determined that the Sale of this property is a "Complex" transaction. The property received 95 points on the Threshold Determination Form (a score of 45 points or greater results in a "Complex" designation.) The factors that affected this designation include:

- Citizen/community group contact with City personnel regarding the property;
- Consideration other than cash;
- Sale or trade of property to a private party or organization; and
- Value of property exceeds \$1 million.

### *Proposed Public Involvement Plan*

FAS is recommending limited additional public involvement due to the limited reuse options of the property because of the continuing need to provide parking for Seattle Police Department Officer Vehicles at and/or near the East Precinct; and the limited number of comments received about the disposition of the property. FAS is recommending a PIP that focuses on the public comments received to date through FAS' mailing, CHH's mailing, and through the Early Design Guidance Public Meeting. FAS proposes to perform the following additional opportunities for public input:

- FAS will distribute this plan to citizens and community members that have expressed an interest in the disposition of the property.

- FAS will post a Notification Board at the property. The board will be approximately 3'x4' and will provide a summary of FAS' determination and advice on how to contact City staff.
- The Real Estate Oversight Committee will review and approve the Preliminary Report and the Public Involvement Plan, providing comments as necessary.
- FAS will publish a Final Report incorporating the Committee's comments, and notify all interested parties of the availability of the Final Report.
- FAS will forward legislation authorizing the sale of the Auxiliary Parking Lot, including the Final Report and the Public Involvement Plan to the City Council.
- FAS will continue to collect all comments for the property and the corresponding development. At the Council Committee Meeting, FAS will provide the Committee an updated summary of all comments received to date.
- If the Council determines to hold a public hearing, FAS will provide 14 days notice of the public hearing to the interested parties and a notice will be published in the Daily Journal of Commerce, informing the parties that community participation at the Committee Meeting will be available.